

Title 29
Affordable Housing Fund:
Annual Report
and
Action Plan
YEAR 2014

Department of Planning and Building
County of San Luis Obispo

Approved by the Board of Supervisors
November 5, 2013

COUNTY OF SAN LUIS OBISPO

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Summary of Activities for Year 2014 Action Plan

Title 29 – Affordable Housing Fund has been active since 2009. At the beginning of 2013, there was \$71,912.97 available in the Fund. Pursuant to the 2013 Action Plan, the County used the \$71,912.97 to help pay the construction costs for 89 affordable housing units in three projects in Paso Robles, San Luis Obispo and Oceano. As of November, 2013, there is \$64,590.86 in the Fund. Pursuant to the 2014 Action Plan, the County will use \$59,606.86 to help pay the construction costs of affordable housing units for three projects in Paso Robles, San Luis Obispo and Oceano. These projects will produce 93 affordable units. The Fund must be spent within the same housing market area as where the projects that paid the Title 29 fees are located (see Appendix – Housing Market Area Map).

Residential development pays in-lieu fees and commercial development pays housing impact fees. The total Fund amount of \$64,590.86 includes \$4,984.00 in the In-Lieu Fee account and \$59,606.86 in the Housing Impact Fee account. In-lieu fees may be spent on construction related costs (i.e. permit fees and housing programs), but housing impact fees must be spent on the construction of affordable housing units.

During 2014, additional fee payments may be deposited and some of the funds may not be spent. At the end of 2014 the Board of Supervisors shall consider the available revenue amounts in all of the accounts of the Affordable Housing Fund and determine how to allocate the Fund in 2015.

Introduction

This Annual Report and Action Plan for 2014 is a combined document. The Board of Supervisors of San Luis Obispo County has accepted the Annual Report and has adopted a resolution approving the 2014 Action Plan. The Annual Report summarizes the past year's funding activities of the Title 29 – Affordable Housing Fund. The 2014 Action Plan guides this year's use of the Fund. Both the Annual Report and Action Plan illustrate the process by which the County collects and disburses the Affordable Housing Fund. Priorities for spending the Fund are set by the County's housing policies and goals, which are described in the General Plan – Housing Element, in Title 29 – Affordable Housing Fund, and in the Inclusionary Housing Ordinance (Land Use Ordinance Section 22.12.080 and Coastal Zone Land Use Ordinance Section 23.04.096).

Contents of the Annual Report

Every year the Planning Director reports to the Board of Supervisors on the status of the Title 29 – Affordable Housing Fund. This report includes a statement of income, expenses, disbursements and other uses of the Affordable Housing Fund. It describes the number of people assisted and the number of housing units constructed or assisted during the previous fiscal year. The report also describes the assisted units, such as the unit types (rental or ownership), targeted income levels, geographic location, the amount of assistance provided and the amount of local, state and federal funds leveraged. Lastly, the report also contains a discussion of how well the goals of the previous year's Affordable Housing Fund Action Plan were met. The Planning Director may recommend changes to the county codes and General Plan, or other actions that may be necessary to carry out the purposes of Title 29, including any adjustments necessary to the fees or fee administration.

Available Funding for Year 2014

Available Revenue in the Affordable Housing Fund Accounts

Table 1 (below) summarizes the activities in all of the Title 29 – Affordable Housing Fund accounts since October, 2012.

2014 Action Plan – Table 1
Summary of All Accounts
Between October, 2012 and October, 2013

Account	Starting Amount	Income** (+)	Disbursements (--)	Amount Available
In-Lieu Fees	\$20,558.61	\$4,984.00	\$20,558.61	\$4,984.00
Housing Impact Fees	\$51,354.36	\$59,606.86	\$51,354.36	\$59,606.86
Total	\$71,912.97	\$64,590.86	\$71,912.97	\$64,590.86

** A 5% administrative fee has already been subtracted from the fee amounts shown in this column as provided for by Section 29.03.010.

Available Funding Amounts for Each Area of the County

The following table summarizes the funding amounts available for each area of the County.

2014 Action Plan – Table 2
Funds Available for Each Area of the County**

Account	North County	South County	Central County	North Coast	Total
In-Lieu Fees	\$4,984.00	\$0	\$0	\$0	\$4,984.00
Housing Impact Fees	\$11,378.27	\$5,274.42	\$35,974.78	\$6,979.39	\$59,606.86
Total	\$16,362.27	\$5,274.42	\$35,974.78	\$6,979.39	\$64,590.86

**The County is divided into four Housing Market Areas (see Appendix - Housing Market Area Map).

Title 29 directs the County to allocate the Title 29 funds to affordable housing projects within the same housing market area as where the projects that paid the Title 29 fees are located.

In-Lieu Fee Account

The in-lieu fee is collected from residential development projects. Land Use Ordinance Section 22.12.080 (Inclusionary Housing) requires the provision of affordable housing. The required number of affordable housing units is based on the number of market-rate units in the residential project. Applicants may choose to pay an in-lieu fee rather than provide affordable housing units. San Luis Obispo County collects and uses the in-lieu fees to support the construction of affordable housing units or to subsidize housing programs.

The following table summarizes the activities of the in-lieu fee account since October, 2012.

2014 Action Plan – Table 3
Summary of In-Lieu Fee Account
Between October, 2012 and October, 2013

Account	Starting Amount	Income** (+)	Disbursements (–)	Amount Available
In-Lieu Fees	\$20,558.61	\$4,984.00	\$20,558.61	\$4,984.00

** A 5% administrative fee has already been subtracted from the fee amounts shown in this column, as provided for by Section 29.03.010.

Housing Impact Fee Account

The housing impact fee is collected from new commercial / industrial development projects. Land Use Ordinance Section 22.12.080 (Inclusionary Housing) requires the provision of affordable housing. The housing requirement is based on the number of employees who work in commercial projects. Applicants may choose to pay a housing impact fee rather than provide affordable housing units. The Planning and Building Department collects and uses the housing impact fees to support the construction of affordable housing units. Housing Impact fees cannot

be used to repair or rehabilitate existing housing units or to support affordable housing programs.

The following table summarizes the activities of the housing impact fee account since October, 2012.

2014 Action Plan – Table 4
Summary of Housing Impact Fee Account
Between October, 2012 and October, 2013

Account	Starting Amount	Income** (+)	Disbursements (--)	Amount Available
Housing Impact Fees	\$51,354.36	\$59,606.86	\$51,354.36	\$59,606.86

** A 5% administrative fee has already been subtracted from the fee amounts shown in this column, as provided by Section 29.03.010.

Action Plan from the Previous Year

Summary of Previous Year's Action Plan Projects

The following table shows the status of the project(s) funded through the previous year's Action Plan:

2014 Action Plan – Table 5
Projects Supported by the Title 29 Fund during the Previous Year (2013 Action Plan)

Project Name	Amount Allocated	Amount Drawn	Remaining Amount	Was Project Completed?
Oak Park – Phase 1 Paso Robles (80 units)	\$11,016.17	\$11,016.17	\$0	No – Estimate completion by February, 2014
Habitat for Humanity Rockview Place – SLO City (3 units)	\$26,515.18	\$26,515.18	\$0	Yes – completed October, 2013
People's Self Help Oceano (6 units)	\$34,381.62	\$34,381.62	\$0	No - Estimate completion by June, 2014

Of the \$71,912.97 in Title 29 funds available in 2013, all of the \$71,912.97 was spent. The eligible projects were located in north, central and south county areas. All of the projects made considerable progress and construction will be completed within the next seven months, if not sooner.

Achievements of Individual Projects

Project Name: Oak Park – Phase 1

- Location: 3201 Pine Street, Paso Robles
- What the funding paid for: The funds were used to pay for trenching and installation of utility lines. Oak Park is a redevelopment project. Oak Park has 148 affordable units that are

more than 70 years old. The 148 apartments will be replaced with 302 new affordable apartment units over five phases. Phase 1 involves the demolition of 40 old apartments and construction of 80 new apartments.

- Achievements & beneficiaries
 - Number of Affordable Housing Units Constructed or Assisted – 80 units are being constructed.
 - Number of Beneficiaries – 80 low and very low income tenant households
- Additional funding considerations
 - Does this project need additional funding? Yes.
 - Why should additional funding be awarded? (if applicable) – Phase 1 construction began in February, 2013, and will be completed by February, 2014. Additional funds will help pay for completion of project construction.

Project Name: Habitat for Humanity – Rockview Place

- Location: 3208 Rockview Place, City of San Luis Obispo
- What the funding paid for: The funds were used to pay for framing and drywall, etc. This is a “sweat-equity” project where the three low and very low income families helped to build their homes.
- Achievements & beneficiaries
 - Number of Affordable Housing Units Constructed or Assisted – 3 units were constructed.
 - Number of Beneficiaries – Three low and very low income homeowner households.
- Additional funding considerations
 - Does this project need additional funding? No.
 - Why should additional funding be awarded? (Not applicable.) –

Project Name: People’s Self-Help Housing Corp. – Oceano townhomes

- Location: 15th Street at Paso Robles Street, Oceano
- What the funding paid for: The funds were used to pay for concrete work, etc. This is a six unit townhouse project managed by People’s Self-Help Housing Corporation. It is a sweat-equity project where six low and very low income farmworker households are helping to build their homes.
- Achievements & beneficiaries
 - Number of Affordable Housing Units Constructed or Assisted – 6 units are being constructed.
 - Number of Beneficiaries – Six low and very low income farm worker households.
- Additional funding considerations
 - Does this project need additional funding? Yes.
 - Why should additional funding be awarded? (if applicable) – Construction began in Spring, 2013, and is anticipated to be completed in June, 2014. Additional funds will help pay for completion of project construction.

Draw-Down of In-Lieu and Housing Impact Fees in 2013

The 2013 Action Plan allocated a combination of in-lieu and housing impact fees to three eligible projects. All of the available Title 29 funds were spent in 2013, and were used to pay for direct construction costs. All the projects have followed a one-year construction period, with one project reaching completion in 2013 and the other projects to be completed by mid-2014. As a result, the 2013 Title 29 funds have helped to pay for construction of 89 affordable housing units.

Action Plan for Year 2014

Summary of Funding for Year 2014 Projects

A total of \$64,590.86 of Title 29 funds is available in 2014 for eligible projects. Eligible projects shall have affordable housing units that are deed restricted or that conform to the County's affordable housing standards (i.e., Land Use Ordinance Section 22.12.070 – Housing Affordability Standards or Coastal Zone Land Use Ordinance Section 23.04.094 – Housing Affordability Standards).

Action Plan Table 2 (above) shows the amount of funds that are available for each area of the County. Title 29 directs the County to allocate the Title 29 funds to affordable housing projects within the same housing market area as where the projects that paid the Title 29 fees are located.

Title 29 requires the Action Plan to identify specific projects that will receive the affordable housing funds. For 2014, the County has allocated Title 29 funds to three projects:

1. Oak Park – Phase 1. The Monterey and Paso Robles Housing Authorities started the construction of Oak Park – Phase 1 in February, 2013 and will complete the work in February 2014. Oak Park is a redevelopment project. Oak Park consists of 148 affordable units that are more than 70 year old. The 148 apartments will be replaced with 302 new affordable apartment units over five phases. Phase 1 involves the demolition of 40 old apartments and construction of 80 new apartments. Title 29 funds will be used to help complete the construction work for Phase 1.
2. Moylan Terrace – Phase 2. The Housing Authority of San Luis Obispo started the construction work of Moylan Terrace – Phase 2 in Spring, 2013, and will complete work in June, 2014. Moylan Terrace is an 81 unit condominium project where 80 of the units will be sold to workforce, moderate or low income buyers, and one unit will be a low income rental unit. Moylan Terrace – Phase 2 will have 21 units, of which of which 2 units will be sold to moderate income households and 5 units to low income households. Title 29 funds will be used to help complete the construction work for Phase 2.
3. People's Self-Help Housing Corp. – Oceano Project. The construction of the Oceano project began in Spring, 2013, and will be completed in June, 2014. People's Self-Help is managing the construction of this six unit townhouse project. It is a sweat-equity project where six low and very low income farmworker households are helping to build their homes. Title 29 funds will be used to help complete the construction of this project.

2014 Action Plan – Table 6
Projects to be Funded in 2014

Project Name	Amount Allocated
Oak Park – Phase 1 Paso Robles (80 units)	\$16,362.27
Moylan Terrace - Phase 2 San Luis Obispo (7 units)	\$35,974.78
People's Self Help Oceano (6 units)	\$5,274.42
Not Allocated: \$6,979.39 from North Coast area	\$0
Total amount allocated	\$57,611.47

Funding Amounts and Goals for Individual Projects

Project Description – Oak Park (Phase 1) by the Monterey and Paso Robles Housing Authorities. Title 29 funds will be used to pay for construction costs. All of the funds available for the north county housing market area (\$16,362.27) are being allocated to this redevelopment project / affordable apartment project in Paso Robles. Project compliance will be verified when the project manager submits to the County requests for reimbursement of construction work completed. All of the Oak Park (Phase 1) apartment units shall meet the affordable housing standards pursuant to deed restrictions created by a project loan from the County / HUD – HOME fund program.

- This is an on-going project where construction started in February, 2013
- Project location – Oak Park Apartments, 3201 Pine Street, Paso Robles
- Prior funding. Total construction cost of Oak Park – Phase 1 is \$15,366,469. The County has provided the following: \$945,580.00 in federal HUD – HOME funds, and \$11,016.17 in 2013 Title 29 funds.
- Housing unit description – 80 unit project - all units will be rental apartment units. Unit sizes range from one to three bedroom units. Oak Park is a redevelopment project. Oak Park consists of 148 affordable units that are more than 70 year old. The 148 apartments will be replaced with 302 new affordable apartment units over five phases. Phase 1 involves the demolition of 40 old apartments and construction of 80 new apartments.
- What the funding will pay for – To help pay for completion of construction work – \$16,362.27 is available from the 2014 Title 29 fund.

Achievements & beneficiaries

- Number of affordable housing units to be constructed or assisted – 80 rental units.
- Number of beneficiaries – 80 very low and low income households

County Housing Policy or Goal being met –

- Housing Element Program HE 1.C: Reduce and defer fees for affordable housing development.

Project Description – Moylan Terrace (Phase 2) by the Housing Authority of San Luis Obispo County. Title 29 funds will be used to pay construction costs. All of the funds available for the central county housing market area (\$35,974.78) are being allocated to this condominium project in the City of San Luis Obispo. Project compliance will be verified when the project manager submits to the county requests for reimbursement of construction work completed. All of the Moylan Terrace condominium units will meet the affordable housing standards pursuant to deed restrictions created through a 45 year affordable housing agreement between the Housing Authority and the City of San Luis Obispo.

- This is an ongoing project started in Spring, 2013
- Project location – 851 Humbert Avenue, City of San Luis Obispo
- Prior funding – \$21,423.85 in 2012 Title 29 fund
- Housing unit description – Moylan Terrace is an 81 unit condominium project where 80 of the units will be sold to workforce, moderate or low income buyers, and one unit will be a low income rental unit. Moylan Terrace – Phase 2 will have 21 units, of which 2 units will be sold to moderate income households and 5 units to low income households.
- What the funding will pay for – To help pay for completion of construction work – \$35,974.78 is available from the 2014 Title 29 fund.

Achievements & beneficiaries

- Number of affordable housing units to be constructed or assisted – 7 units.
 - Number of beneficiaries – 2 moderate income and 5 low income home buyer households
- County Housing Policy or Goal being met –
- Housing Element Program HE 1.C: Reduce and defer fees for affordable housing development.

Project Description – Oceano Project by People's Self-Help Housing Corporation. Title 29 funds will be used to pay construction costs. All of the funds available for the south county housing market area (\$5,274.42) are being allocated to this condominium project in Oceano. Project compliance will be verified when the project manager submits to the County requests for reimbursement of construction work completed. All condominium units will meet the standards for low and very low income units pursuant to Land Use Ordinance Section 22.12.070 – Housing Affordability Standards.

- This is an ongoing project started in Spring, 2013
- Project location – 15th Street and Paso Robles Street, Oceano
- Prior funding – \$34,381.62 in 2012 and 2013 Title 29 fund
- Housing unit description – Two & three bedroom single family townhouse units – all six units are “sweat equity” units being constructed by income eligible (low and very low income) home owner(s). The project is being managed by the People's Self Help Housing Corporation.
- What the funding will pay for – To help pay for completion of construction work – \$5,274.42 is available from the 2014 Title 29 fund.

Achievements & beneficiaries

- Number of affordable housing units to be constructed or assisted – 6 units.
 - Number of beneficiaries – 6 low or very low income farmworker households
- County Housing Policy or Goal being met –
- Housing Element Program HE 1.C: Reduce and defer fees for affordable housing development.

Refund Payments

Certain circumstances require that unspent Fund amounts be repaid to the original contributing developers. Title 29 Section 29.05.010.d requires that unspent Funding shall be refunded whenever the County targets an affordable housing development and determines that adequate funding is available to complete the said project, but the project is never completed.

List of Payees

Whenever refunds are made pursuant to Title 29 Section 29.05.010.d the name of the original contributing developer and the amount of the refund shall be described here.

Recommended Ordinance Amendments

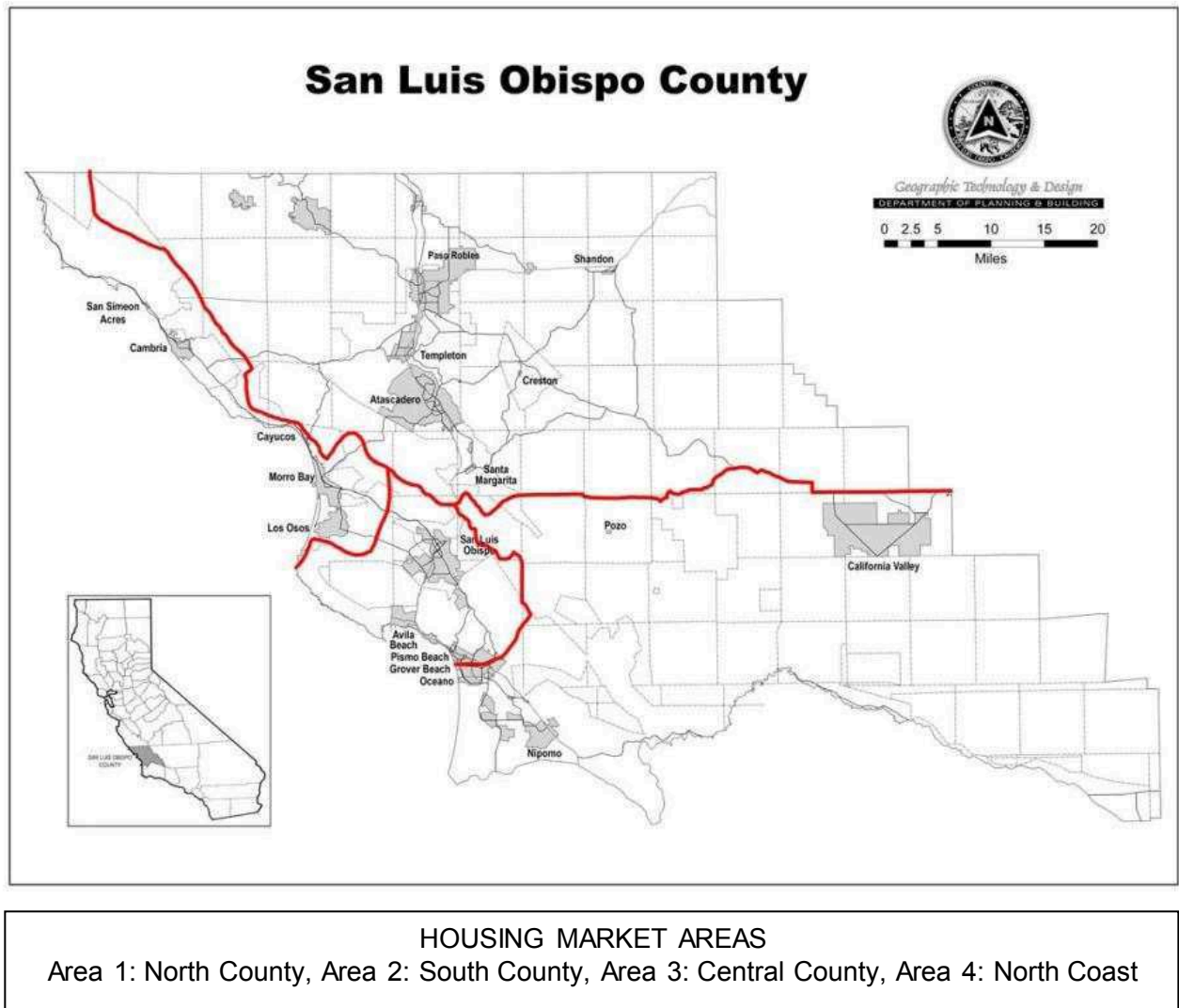
Normally, County staff would use this section to request authorization to initiate changes to the affordable housing ordinances and policies. The need for the ordinance changes and the expected benefits of those changes would also be described. The recommendations would come as a result of staff's observations from working with the ordinance over the past year.

This year staff is making no recommended changes. In 2013, a set of "clean-up" amendments to the inclusionary housing ordinance was approved by both the Board of Supervisors and by the California Coastal Commission.

Anticipated Benefits of the Amendments

This section is used to describe the anticipated benefits of any proposed amendments. No amendments are being proposed.

Appendix: Housing Market Area Map



Area 1: North County – includes Santa Margarita, Atascadero, Creston, Templeton, Paso Robles and Shandon.

Area 2: South County – includes Oceano, Nipomo, Woodlands, Pozo and California Valley

Area 3: Central County – includes San Luis Obispo, Avila Beach and Arroyo Grande

Area 4: North Coast – includes Los Osos, Morro Bay, Cayucos, Cambria and San Simeon